

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 AID-05 IGA-01 L-02 EB-07 H-01 DODE-00

COME-00 AGR-05 TRSE-00 ABF-01 CIAE-00 INR-07 NSAE-00

SP-02 SS-15 NSC-05 CEA-01 CIEP-01 XMB-02 (ISO) W

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R 061149Z MAR 75

FM AMEMBASSY BUJUMBURA

TO SECSTATE WASHDC 4721

C O N F I D E N T I A L SECTION 1 OF 2 BUJUMBURA 0156

E.O. 11652: GDS

TAGS: EAID, PFOR, BY, US

SUBJECT: SELF HELP PROJECT: COLD STORAGE FACILITIES IN BURUNDI

REF A BUJUMBURA 134, B. BUJUMBURA 125, C. STATE 24254

SUMMARY: WITH REVERSAL OF TRAVEL RESTRICTION CAMPAIGN AGAINST U.S. EMBASSY (REF A), WHICH TEMPORARILY FORCED HALT TO ACTION ON PENDING ASSISTANCE PROJECTS, EMBASSY WOULD LIKE TO MOVE FORWARD RAPIDLY ON SELF-HELP COLD STORAGE FACILITIES PROJECT (REF B). THIS MESSAGE LAYS OUT COMPELLING POLITICAL AND ECONOMIC GROUNDS FOR THE PROJECT, AND REQUESTS WASHINGTON APPROVAL FOR IT, AS REQUIRED FOR PROJECTS WITH OVER DOLS 25,000 PRICE TAG. AT PRESENT, WE ESTIMATE TOTAL COST AT DOLS 68,500 OF WHICH U.S. SHARE WOULD BE APPROXIMATELY \$54,000 THOUGH TRANSPORT COMPONENT (ALMOST DOLS 20,000) MAY NEED REFINEMENT. END SUMMARY.

1. EXCEPT FOR CURRENT DOLS 3,500 MODEL HUT BUILDING SELF-HELP EFFORT IN SEVERAL VILLAGES NEAR CAPITAL, THERE HAS BEEN NO RPT NO SELF-HELP PROJECT UNDERWAY IN BURUNDI SINCE INAUGURATION OF CONCRETE STALLS IN BUJUMBURA CENTRAL MARKET PLACE IN 1971. CUTOFF CAME IN MID-1972, IN RESPONSE TO WIDESPREAD KILLINGS WHICH WRACKED COUNTRY AND TO AMERICAN WISH TO DISSOCIATE U.S. FROM REGIME. AT TIME OF TERMINATION, TWO PROJECTS WERE IN MILL. VALID AUTHORIZATION STILL EXISTS, AND FY 1972 FUNDS ARE CONFIDENTIAL

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ALREADY ON DEPOSIT HERE FOR ONE OF THESE, NAMELY, CONSTRUCTION

OF TWO RURAL MATERNITY CLINICS, THOUGH PROGRESS IS BEING DELAYED BY BUREAUCRATIC WRANGLES AND INCOMPETENCE. SECOND PROJECT, FOR WHICH AMB. MELADY SIGNED AGREEMENT IN 1971 WITH MINISTER OF AGRICULTURE, WAS FOR INSTALLATION OF COLD ROOM AND FREEZER FACILITIES IN BUJUMBURA'S ONLY SLAUGHTERHOUSE. WITH START OF NORMALIZATION OF U.S.- BURUNDI RELATIONS ONE YEAR AGO, THERE SHOULD NO LONGER BE ANY OVERALL POLICY OBJECTIONS OF POLITICAL NATURE TO REVIVAL OF THIS PLAN.

2. FROM POINT OF VIEW OF TACTICAL CONSIDERATIONS TIED TO RELATIONSHIP THAT WE ARE PRESENTLY TRYING TO BUILD HERE, IMPLEMENTATION OF PROJECT WOULD BE VERY TIMELY AND HAVE MANIFOLD ADVANTAGES. FIRST, ITS LOCATION IS IN CAPITAL, WHERE IT WILL BE TANGIBLE AND VISIBLE. SECOND, IT WILL HAVE MEANING FOR EVERYDAY FOOD HABITS OF INFLUENTIAL MIDDLE AND UPPER INCOME LEVELS OF CITIZENRY. THIRD, ITS REALIZATION WOULD COME SUFFICIENTLY SOON AFTER FRIENDLY GESTURE TO U.S. (REF A) WHICH WAS ENGINEERED BY MODERATE REGIME ELEMENTS TO ENABLE BURUNDI OFFICIALDOM TO DRAW LESSONS OF CAUSE AND EFFECT. FOURTH, IT IS STRONGLY BACKED BY MINISTER OF AGRICULTURE, WHO RUNS A RELATIVELY EFFICIENT AND PURPOSEFUL MINISTRY BY BURUNDI STANDARDS, WHO IS OF THE POLITICALLY MODERATE SCHOOL WHICH WE WANT TO ENCOURAGE, AND WHO IS CURRENTLY CHAIRMAN OF THE CABINET. FIFTH, WE WANT TO UNDERCUT COMPLAINTS OF SOME BURUNDI WHO HAVE ALLEGED THAT U.S. HAS WELCHED ON DULY SIGNED 1971 AGREEMENT TO INSTALL FREEZER.

3. IN ADDITION, PROJECT HAS WIDER ECONOMIC IMPLICATIONS THAT WOULD APPEAR AT FIRST GLANCE. AS IN SEVERAL AFRICAN COUNTRIES, THERE IS A CULTURAL PROBLEM IN BURUNDI ARISING FROM TREATMENT OF CATTLE PRIMARILY AS PRESTIGE AND WEALTH OBJECTS RATHER THAN AS NUTRITIONAL SOURCE. AS A RESULT, CATTLE HAVE MULTIPLIED TO POINT (NOW ABOUT 700,000 IN BURUNDI) AT WHICH, OWING TO INADEQUATE PASTURAGE, THEY PRESS ONTO VALUABLE LAND NEEDED FOR CROPS. THIS IS ESPECIALLY ACUTE IN RUZIZI VALLEY NORTH OF BUJUMBURA, WHERE UP TO 50,000 CATTLE, MAINLY OWNED BY TUTSIS, WANDERING ABOUT WITH MINIMAL SUPERVISION, ARE PRONE TO INFLICT SERIOUS DAMAGE ON FOOD AND EXPORT CROPS RAISED BY HUTU PEASANTS.

4. THE GOVERNMENT IS TRYING TO REDUCE THE VAGARIES OF THIS SITUATION. IT WANTS TO REVIVE RANDA RESEARCH FARM IN VALLEY

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TO IMPROVE CATTLE BREEDING AND FEEDING PROCEDURES. IT IS SEEKING TO INDUCE CATTLE OWNERS TO SELL OFF AT LEAST OLDER COWS FOR SLAUGHTER TO REDUCE SCRAWNY AND USELESS ELEMENTS OF HERDS. IT WOULD LIKE TO RESTRICT GRAZING AREAS. ALL OF THESE HOPES, HOWEVER, ARE RELATED IN SOME DEGREE TO REALIZATION OF SLAUGHTERHOUSE FREEZER PROJECT, SINCE REGIME IS IN NO POSITION TO OFFER ADEQUATE MONETARY INCENTIVES TO OWNERS TO SLAUGHTER ANIMALS OR OTHERWISE TO IMPROVE CATTLE

RAISING UNLESS GOVERNMENT HAS SOME LEEWAY IN MARKETING AND STORING MEAT, WHICH WILL MAKE HIGHER RETURNS FEASIBLE. MINISTER OF AGRICULTURE NOT ONLY HAS LARGER AND GERM-FREE MEAT SUPPLY OF CAPITAL IN VIEW, BUT ALSO IS AWARE OF SUBSTANTIAL EXPORT POSSIBILITIES TO CITIES OF ZAIRE, ESPECIALLY KINSHASA, OF FROZEN CARCASSES, ON WHICH ZAIRIAN OFFICIALS HAVE ALREADY MADE OFFERS. IN ADDITION, SLAUGHTERHOUSE ALREADY HAS ON HAND, BUT UNUSED, EQUIPMENT FOR CANNING MEAT, AND IT ENVISAGES PURCHASE OF COOKING VESSELS FOR START ON DOMESTIC CANNING INDUSTRY, WHICH WOULD ENABLE MEAT DISTRIBUTION COMMERCIALY WITHIN COUNTRY, AS WELL AS SMALL, OCCASIONAL MEAT SUPPLY UNDER FREE-FOOD PROGRAMS TO PROTEIN-DEFICIENT PORTIONS OF POPULATTION.

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INFO OCT-01 ISO-00 AID-05 IGA-01 L-02 EB-07 H-01 DODE-00

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R 061149Z MAR 75

FM AMEMBASSY BUJUMBURA

TO SECSTATE WASHDC 4722

C O N F I D E N T I A L SECTION 2 OF 2 BUJUMBURA 0156

5. ALTHOUGH DOLS 68,500 IS LARGE FOR A SELF-HELP PROJECT, WE BELIEVE THAT IT FULLY MEETS CRITERIA FOR THIS PROGRAM. IT WILL TIE TOGETHER AND, WE HOPE, CATALYZE A NUMBER OF OTHER PLANS WHICH CAN HAVE MODEST, BUT SIGNIFICANT, IMPACT ON SEVERAL AREAS OF THE ECONOMY AND BROAD SEGMENT OF POPULATION. THERE WILL BE NECESSARY BURUNDI CONTRIBUTION. ALTHOUGH WE HAVE NOT QUANTIFIED IT IN DOLLAR TERMS, IT IS ENVISAGED THAT GOVERNMENT WILL PAY FOR TRANSPORTATION OF FREEZER UNITS AND ANCILLARY APPARATUS FROM DAR ES SALAAM TO BUJUMBURA (FOR WHICH BURUNDI BUDGET KEPT SPECIAL FUND THROUGH 1974), WILL BEAR COSTS OF RENOVATION OF SECTION OF SLAUGHTERHOUSE AND INSTALLATION OF NEW EQUIPMENT, AND WILL PROVIDE EMERGENCY GENERATOR WHICH MUST BE ON HAND IN CASE OF FAILURE OF CITY POWER SUPPLY. REGIME WILL ALSO BUY MACHINERY NEEDED

TO ENABLE START OF CANNING PROCESS, THOUGH THIS IS NOT EXPLICITLY PART OF OUR SELF-HELP PROJECT. ON TOP OF OUR EARNING OF SOME POLITICAL CAPITAL, PROJECT SHOULD ENABLE US TO GAIN EXPERIENCE ON BURUNDI HANDLING OF A SMALL AID SCHEME, WHICH COULD BE USEFUL INFORMATION FOR US LATER IN POSSIBLE CONSIDERATION OF SOME FULL-FLEDGED AID PROJECT.

6. IT SHOULD BE NOTED THAT, IF FREEZER IS NOT APPROVED AND FUNDED, IT IS VERY UNLIKELY THAT ANY OTHER SELF-HELP FUNDS CAN BE USED HERE IN FY 1975. WE HAVE HAD DIFFICULTIES IN GENERATING PROPOSALS FOR EXPENDITURE OF SUCH FUNDS, OWING TO PROBLEMS (NOW HOPEFULLY RESOLVED) OF OUR OWN TRAVEL TO THE CONFIDENTIAL

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INTERIOR WHERE MOST POTENTIAL PROJECTS ARE LOCATED, AND OVER INEXPERIENCE OF BURUNDI OFFICIALS WITH SELF-HELP IDEA (AND THEIR CONSEQUENT LACK OF INITIATIVE IN COMING UP WITH SUGGESTIONS). HOW, HOWEVER, WE ARE BEGINNING TO RECEIVE A FEW MORE VISITS FROM MISSIONARIES WITH PROJECT CONCEPTS, AND, AS WORD SPREADS, WE THINK THAT FY 1976 PROGRAM CAN BE SUBSTANTIALLY BROADER THAN DURING PRESENT FISCAL YEAR. (BURUNDI FAMILIARITY WILL ALSO INCREASE AS THEY LEARN ABOUT ANALOGOUS CANADIAN PROGRAM.) MOREOVER, WE ALSO HOPE TO DEVELOP IDEAS FROM OUR SUMMER INTERN WHO, IF HIS PROGRAM HERE WORKS OUT, WILL BE SURVEYING AGRICULTURAL SCENE IN BURUNDI, INCLUDING ASSISTANCE OF MAJOR FOREIGN DONORS, WITH EYE TOWARD POSSIBLE SELF-HELP AND OTHER U.S. PROJECTS.

7. WE BELIEVE THAT FOREGOING CONSIDERATIONS SHOULD ALLAY CONCERN EXPRESSED BY DEPT (REF C) ABOUT RATHER LARGE SIZE OF FREEZER PROJECT. IN MAJOR WAY, IT IS VICTIM OF INFLATION. WHEN AMB. MELADY SIGNED PRELIMINARY AGREEMENT FOR IT IN 1971, TOTAL COST WAS EXPECTED TO BE WELL UNDER \$25,000, AND KNOWLEDGEABLE BURUNDI OFFICIALS BELIEVE THAT U.S. SHOULD NOT PULL OUT OF AGREEMENT MERELY BECAUSE OF PRESENT HIGH COSTS, WHEN, IN THEIR VIEW, THE DELAY OF 3 TO 4 YEARS HAS BEEN THE RESULT OF AN AMERICAN DECISION. IN ANY CASE, ONE WAY FOR US TO LOOK AT PROJECT IS TO REMEMBER THAT U.S. HAS SPENT NO SELF-HELP FUNDS IN BURUNDI IN FOUR YEARS (EXCEPT FOR CURRENT DOLS 3,500 MODEL HUT EFFORT), AND THAT DOLS 54,000 U.S. SHARE OF FREEZER PROJECT WHEN SPREAD OVER THREE FISCAL YEARS COMES TO MODEST DOLS 18,000 ANNUALLY.

8. ON SPECIFIC COSTING, CURRENT ESTIMATES FROM DEFENSE SUPPLY AGENCY FOR REFRIGERATOR AND FREEZER UNITS COME TO ABOUT DOLS 38,500 AND EMERGENCY GENERATOR (TO BE PAID FOR BY BURUNDI) IS ADDITIONAL DOLS 10,500. WE HAVE ESTIMATED TRANSPORT AT FORTY PERCENT OF TOTAL EQUIPMENT PURCHASE PRICE OF DOLS 49,000, BUT WE ARE NOT RPT NOT CERTAIN THAT THIS IS ACCURATE BASIS, SINCE MATERIAL TO BE SHIPPED DOES NOT

EQUATE EXACTLY TO CATEGORIES OF OTHER ITEMS CONSIGNED TO
EMBASSY THROUGH THE DAR ES SALAAM ROUTE FOR WHICH WE HAVE
COST EXPERIENCE. WE WOULD VERY MUCH APPRECIATE DEPARTMENT'S
CHECKING WITH DEFENSE SUPPLY AGENCY TO SEE WHETHER THEY CAN
PROVIDE ANY FIGURES FROM THEIR EXPERIENCE OF SHIPPING
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REFRIGERATOR BOXES AND FREEZING UNITS TO OTHER PLACES. SINCE
BURUNDI GOVERNMENT WILL BE EXPECTED TO PAY FOR ALL TRANSPORT
COSTS FROM DAR ES SALAAM TO BUJUMBURA, WE ARE PARTICULARLY

INTERESTED IN CHARGES FROM POINT OF PURCHASE IN U.S. TO DAR.
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